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Agenda item 8

Sessional Committee II

SUSTAINABLE DEVELOPMENT: IMPLICATIONS FOR UNCTAD OF RECENT GENERAL ASSEMBLY DECISIONS CONCERNING THE FOLLOW-UP TO UNCED'S CONCLUSIONS AND RECOMMENDATIONS

Draft decision submitted by the Chairman of Sessional Committee II

The Committee recommends that:

1. The Trade and Development Board, taking into account the importance, in the context of sustainable development, of the theme "Trade and environment", consider that theme at the first part of each of its annual sessions; that, for the first part of its fortieth session, it consider within this theme the specific issue "Trends in the field of trade and environment within the framework of international cooperation"; and that for subsequent sessions, the specific issues to be discussed under this theme be determined in the informal consultative mechanism established in accordance with paragraph 83 of the Cartagena Commitment, taking into account the evolution of preparatory work in the secretariat;

2. The Trade and Development Board also consider another theme or themes on sustainable development at the second part of its annual sessions, the specific topic or topics to be identified using the mechanism outlined in paragraph 1 above;

3. The UNCTAD secretariat organise on an experimental basis for the fortieth session periodic information briefings in preparation of the issues to be discussed at that session;

4. The Trade and Development Board review the arrangements in paragraphs 1, 2 and 3 above in connection with the process of review and evaluation of the work programmes of the intergovernmental machinery to be held in 1994;

5. The Trade and Development Board transmit to the General Assembly at its forty-eighth session, through the Commission on Sustainable Development and the Economic and Social Council, in response to paragraph 25 of General Assembly resolution 47/191, the annexed report on its specific plans to implement Agenda 21 within its mandate.

Annex

DRAFT RESPONSE OF TRADE AND DEVELOPMENT BOARD TO GENERAL ASSEMBLY RESOLUTION 47/191

Mandate

1. In paragraph 25 of its resolution 47/191, the General Assembly requested, inter alia, the Trade and Development Board to examine the relevant provisions of Chapter 38 of Agenda 21 at its next session and to submit a report on its specific plans to implement Agenda 21 to the General Assembly at its forty-eighth session through the Commission on Sustainable Development and the Economic and Social Council. The present report responds to this request.

The role of UNCTAD in implementing Agenda 21

2. Paragraph 38.26 of Agenda 21 refers explicitly to UNCTAD by stating that UNCTAD "should play an important role in the implementation of Agenda 21, ... taking into account the importance of the interrelationships between development, international trade and the environment and in accordance with its mandate in the area of sustainable development."

3. The Trade and Development Board has pursued this matter, in accordance with the mandates given to UNCTAD by the Cartagena Commitment and by Agenda 21 itself. The Board is in the process of establishing a work programme responding to these mandates for its own Sessional Committee charged with examining sustainable development issues and, under the Board's overall authority, work programmes have been established to implement relevant provisions of these mandates in the Board's subsidiary bodies.

4. These intergovernmental work programmes represent the specific plans of the Trade and Development Board to implement its mandates in the field of sustainable development. The Board will keep its work in this field under constant review, and will adjust the work programmes in the light of developments.

Organisation of intergovernmental work on sustainable development in UNCTAD

5. The work programmes of UNCTAD's intergovernmental bodies are carried out by the Board and its various subsidiary bodies. At the second part of its thirty-ninth session, the Board decided to organise its deliberations on sustainable development as follows:

(a) Taking into account the importance of the theme "Trade and environment", the Board will consider a topic under this theme at the first part of each of its annual sessions; and

(b) It will consider another theme or themes on sustainable development at the second part of its annual sessions.

The topics and themes will be determined well in advance through the informal consultative mechanism established in accordance with paragraph 83 of the Cartagena Commitment, taking into account the evolution of preparatory work in the secretariat. The Board will have the overall responsibility of submitting to the Commission on Sustainable Development the results of its own deliberations, as well as those of its subsidiary bodies.

6. For ease of cross-reference to Agenda 21, the work programmes referred to above are presented below organised around six sectors specific to UNCTAD:

- Agenda 21 and trade;
- Agenda 21 and commodities;
- Agenda 21 and technology;
- Agenda 21 and services;
- Agenda 21 and poverty; and
- Agenda 21 and privatisation.

As indicated, because of the importance which member States attach to the subject of trade in the context of sustainable development, the Board itself deals with this subject; [1] the others are covered in the Board's various subsidiary bodies, which are themselves organised along sectoral lines.

7. It is also worth noting that the Trade and Development Board and its subsidiary bodies have adopted the practice of organising input to their discussions from three actors singled out in Agenda 21 as playing an important role in the implementation of Agenda 21, namely the private, academic and NGO sectors.

A. Agenda 21 and trade

8. The Board will give consideration to the following areas as elements of its substantive intergovernmental work programme on trade-related aspects of sustainable development. Paragraphs of Agenda 21 to which the work programme elements are relevant are indicated in parentheses for ease of reference.

- Trends in the field of trade and environment within the framework of international cooperation;
  (para 2.22 (b))

- The reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become an instrument of protection;
  (paras. 2.21 and 2.22 (c, d, e, f, i))

- Analysis of the impact of environment-related regulations and standards on export competitiveness, particularly of developing countries;
  (para. 2.22 (f, g))

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[1] The issue of trade and environment is also discussed in one of the Board's subsidiary bodies, from the perspective of the expansion of the trading opportunities of developing countries.

- Building of increased awareness and understanding of the interlinkages between trade, development and environment;
(para. 2.22(b))

- Consideration of the special conditions and development needs of developing countries in the context of trade and environment;
(para. 2.22(g, h, i))

- Collection, analysis and dissemination of information on environmental regulations and measures which may have an impact on trade, especially that of developing countries;
(paras. 2.15, 2.22(c))

- Comparative analysis of country experiences with ways and means of promoting trade expansion and diversification without deteriorating or depleting the natural resource base (with specific focus on export competitiveness).
(paras. 2.11, 2.14, 2.24, 3.5, 4.17, 4.18)

9. In addition, the Board's Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries has adopted a work programme which contains the element "Environmental measures", under the terms of which the Working Group would consider the impact of environmental policies and measures on trading opportunities of developing countries with a view to making recommendations for enhancing those opportunities.
(paras. 2.10(a, c, d), 2.12 and 2.22(a))

B. Agenda 21 and commodities

10. The Board's Standing Committee on Commodities has agreed on a work programme which singled out sustainable development as one of its four priority areas. This work programme contains the following elements relevant to the implementation of Agenda 21:

- Analysis of national experiences in the management of natural resources with regard to commodity production;
(para. 3.8(m))

- Exploration of the links between commodity policies, use and management of natural resources and sustainable development;
(paras. 2.11, 2.13, 2.16(a), 4.10(b))

- Identification of environmental problems that are specific to commodity production and processing and examination of ways of improving developing countries' access to international financial and technical support including environmentally sound technologies to cope with such problems;
(paras. 4.17(c), 4.18)

- Identification of means by which the competitiveness of natural products with environmental advantages could be improved;
(paras. 4.19(c), 4.20, 4.22(a,b))

- Examination of the manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs.
(paras. 2.14(c), 4.24, 8.31(a, b), 8.37)

C. Agenda 21 and technology

11. The Board's Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer has agreed on a work programme composed of three priority areas, of which one is entitled "Transfer and development of environmentally sound technologies". This latter contains the following elements relevant to the implementation of Agenda 21:

- Issues involved in the generation, transfer and diffusion of environmentally sound technologies which have an impact on competitiveness and development;
(paras. 34.14(b), 34.26)

- Policies and measures for the promotion, development, dissemination and financing of environmentally sound technologies, particularly in developing countries, taking into account the need to provide incentives to innovators that promote research and development of these technologies.
(paras. 34.11, 34.14, 34.18 - 20, 34.27, 34.28)

D. Agenda 21 and services

12. The Board's Standing Committee on Developing Services Sectors, which deals with services in general, shipping and insurance, has adopted work programmes containing the following elements relevant to the implementation of Agenda 21:

- The role played by the services sectors in contributing to growth and sustainable development;
(paras. 2.16(a), 4.18, 4.26, 8.14, 8.19, 8.33(a) and 40.22)

- Comparative analysis of the factors which can contribute to sustainable development of ports and related port services.
(paras. 17.6(b, i), 17.30(d) and 17.38 (d))

- Alternative mechanisms to meet the insurance and reinsurance needs in respect of environmental impairments.
(Although insurance does not appear as such as an issue in Agenda 21, this work element is relevant to chapters 4, 14 and 17 through 22 of Agenda 21)

E. Agenda 21 and poverty

13. The Board's Standing Committee on Poverty Alleviation has agreed on a work programme of six priority areas which contains the following elements relevant to the implementation of Agenda 21:

- Analysis of the linkages between poverty and sustainable development;
(paras. 3.10(a))

- Examination of the implications for the poor of national and international policies relating to environment (e.g., application of the polluter-pays principle; environmental standards that might adversely affect the poor);
(paras. 3.8(d,f,h,o))

F. Agenda 21 and privatisation

14. The Board's Ad Hoc Working Group on Comparative Experiences with Privatisation has adopted a work programme which includes an element on environmental aspects of privatisation.
(paras. 2.13(a), 2.31, 2.37(c), 2.38, 30.3, 30.4, 30.19 and 30.28)

Studies and Projects related to sustainable development funded by extrabudgetary resources

15. The UNCTAD secretariat is pursuing and completing studies, funded by extrabudgetary resources, on market-based instruments for financing environmental protection; this work is focused primarily on the costs and benefits of CO_2 abatement, including tradeable entitlements, joint implementation of commitments, and tax-based instruments. The UNCTAD secretariat has also designed studies and projects related to sustainable development funded by extrabudgetary resources, and the work carried out by the secretariat is indicated in the appendix.

Technical cooperation

16. In the field of technical cooperation, the overall objective of UNCTAD is to strengthen the capacity of the developing countries to implement Agenda 21 effectively. This is being carried out in accordance with paragraph 43 of the Cartagena Commitment and Chapter 37 of Agenda 21.

Appendix

Studies and projects related to sustainable development funded by extrabudgetary resources

List of donors

UNDP

Funds are provided for policy oriented research on the interlinkages between trade and environment, consisting of (i) country case studies and (ii) thematic studies of general interest. Work on trade and environment is also supported under an Asian/Pacific Trade and Investment Technical Co-operation Programme.

Colombia

Funding of two studies on the relationships between trade and environment undertaken by a national research institute and a NGO.

Government of Germany

Funding is provided for studies on particular aspects of tradeable carbon emission entitlements.

Government of Italy

Funding is provided for a training package on developmental aspects of global environmental deliberations within UNCTAD's Trainfortrade programme .

Government of Luxemburg

Funding is provided for a training package on trade and environment within UNCTAD's Trainfortrade programme.

Government of the Netherlands

A contribution is made to two components of the work programme: (i) analysis of trade and environment linkages; (ii) country/commodity case studies. A contribution was also made to the development of a pilot version of **GREENTRADE** in 1992. A study of the implications of basic principles of environmental policy for developing countries is nearly complete. Funding was provided for the first phase of the work on tradeable carbon emission entitlements, and funding is being provided for a pilot initiative on CO_2 offset arrangements.

Government of Norway

Funding is provided for policy-oriented analysis of the links between policies and environmental effects of production and processing in the commodity sector and for a conceptual study on the internalization of environmental externalities in prices of commodities. Funding was provided for the first phase of the work on tradeable carbon emission entitlements, and funding is being provided for a study on the essential design requirements of a global system of tradeable carbon emission entitlements and for a pilot initiative on CO_2 offset arrangements.

International Institute for Sustainable Development (IISD)

Sponsoring of expert group meetings, hosted by the International Institute for Sustainable Development (IISD) in Winnipeg, Canada, to discuss outlines and findings of studies carried out on environment and trade policies.

International Development Research Centre (IDRC)

Funding of policy-oriented research on the impacts of environmental concerns on market access, with special reference to eco-labelling.